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ODP-81-496
SAF-E276-81
20 April 1981

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FILE

24 APR 1981

MEMORANDUM FOR: Chief, Real Estate and Construction
Division/OL

FROM

:

Director, Consolidated SAFE Project
Office/ODP

SUBJECT

:

SAFE Computer Center Renovation Change
Order Costs

REFERENCE

:

Your Memo for Chief, CSPO/ODP, dated
19 March 1981, Subject - Status of SAFE
Site Construction Costs

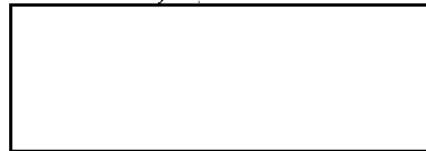
1. After reviewing the referenced memorandum, it appears that most of the SAFE renovation change orders are the result of inaccurate architectural and engineering design factors and/or architectural and engineering analysis oversights. It is imperative that more thorough analysis be performed on future work to avoid future increases in planned cost. Further, please provide quarterly reports to facilitate better accounting of SAFE Project funding obligations.

2. The eleven change orders, cited in the referenced memorandum, appear to fall into one or both of the categories, cited above. Inadequate analysis of Headquarters Building facilities and inaccurate architectural and engineering drawings apparently are the causes of most of these changes. As a result, the customer (NFAC) is required to provide indemnity funds for oversights of RECD, GSA, the architect and construction contractor. This procedure places a requirement for elastic funding which is not consistent with the budget process.

3. While unforeseen changes are apt to be required in an engineering and construction effort, change orders that result from an unsatisfactory design review process, prior to the construction contract bid and solicitation, should not be considered the responsibility of the customer. It would be expected that normal contingency provisions would cover infrequent occurrences of unforeseen changes.

4. In summary, our analysis of the referenced memorandum indicates that inadequate planning and analysis has led to an inordinate number of change orders and additional costs borne by the customer. It does not seem reasonable that the customer should be obligated to provide resources for this purpose. RECD and/or GSA should be obligated to fund for changes that are the result of their oversights.

5. It is requested that quarterly reports on change order activities and costs be provided so that we can better account for SAFE Project renovation funding. Further, please take actions to obtain funds from other than SAFE sources for changes that are the result of revisions not requested by the customer.



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Approval	For Clearance	Per Conversation	
As Requested	For Correction	Prepare Reply	
Circulate	For Your Information	See Me	
Comment	Investigate	Signature	
Coordination	Justify		

REMARKS

:

PER OUR TELEPHONE CONVERSATION,
PLEASE CONDUCT NECESSARY
REVIEW FOR REASONS FOR EACH
CHANGE. PREPARE CONSTRUCTIVE
RESPONSES TO
AND COMMENTS TO DD/L AS
REQUESTED.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

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5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.6

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TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

I HAVE ALREADY ASKED HEB TO REVIEW IN DETAIL THE REASONS FOR EACH CHANGE ORDER IN RESPONSE TO MEMORANDUM. WE WILL ALSO PROVIDE YOU WITH COMMENTS ON THIS MATTER, AS YOU REQUESTED, CONSISTENT WITH THE ABOVE HEB REVIEW. IT SHOULD BE READY WITHIN A WEEK.

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4/28/81

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

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UNCLASSIFIED		CONFIDENTIAL	
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OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	EO/OL		SEEN
2	DD/L		SEEN
3	D/L	4-27-81	<i>[Signature]</i>
4	C/RECD		
5	EO/OL		
6	DD/L		
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: D/L Tony, Please provide comments on the attached memorandum from Thanks! 4-27-81			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
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FORM NO. 1-67 **237** Use previous editions

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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

I don't recall ever seeing such a negative testimonial - I would like to see a list of the change orders — If we are guilty or charged or think we need to take a long hard look at our efforts. Otherwise we need a pretty well documented response to this piece - What think?

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